INVESTORS / PROCESS DOCUMENTS

LP Update — Quarterly Template

A direct, no-spin quarterly update structure for emerging fund managers.

Educational template — not legal or financial advice. Consult qualified counsel before use. Market terms vary by jurisdiction and by deal.

A quarterly LP update template for an emerging fund manager. The guidance notes throughout (marked `avoid`) matter as much as the section structure — LPs read dozens of these a quarter across their own portfolios and recognize window dressing on sight. Direct and specific reads as competent. Uniformly positive reads as either naive or evasive, and experienced LPs treat it as the latter.

1. Portfolio Summary

State the number of active portfolio companies, total capital invested to date, and an honest distribution of how they are actually doing — not a single adjective applied to everyone.

EXAMPLE STRUCTURE

14 active portfolio companies. 4 ahead of plan on their own most recent board-approved milestones. 7 on plan. 2 behind plan but with a credible path the GP has reviewed directly with the founder. 1 at meaningful risk of a down round or wind-down within the next two quarters.

Avoid

"All portfolio companies continue to perform well" — across any real portfolio of more than a handful of companies, this is not a credible claim, and LPs know it is not one.

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2. Capital Deployment

Capital called this quarter, cumulative called-to-date against total committed capital, remaining dry powder, and pacing against the fund's own original deployment plan — stated as ahead, on pace, or behind, with the reason if behind.

EXAMPLE STRUCTURE

USD 2.1M called this quarter (Q3). USD 18.4M called cumulative of USD 30M committed (61%). Deployment is running roughly two quarters behind the original plan, driven by a slower seed-stage market in H1 rather than a change in strategy — three term sheets currently in process are expected to bring pacing back in line by Q1 next year.

Avoid

Reporting only the cumulative percentage called with no comment on pacing versus plan — an LP will notice the gap themselves and will trust the numbers less for the GP not having addressed it first.

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3. Unrealised NAV

Current unrealized net asset value, the valuation methodology used (typically last-round price basis, with any markdowns applied and named), and TVPI/DPI if the fund is far enough along for those to be meaningful.

EXAMPLE STRUCTURE

Unrealized NAV: USD 24.8M, on a last-priced-round basis. One markdown applied this quarter (Company C, written down 40% following a flat-to-down internal round) — named specifically, not folded silently into an aggregate number. Gross TVPI: 1.35×. DPI: 0.0× (no realizations to date, consistent with fund age).

Avoid

Carrying every company at its last round price indefinitely with no markdowns, regardless of how the business has actually performed since — a NAV that never moves down is a methodology problem an LP's own diligence team will eventually flag.

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4. Key Developments

Three to five company-specific updates this quarter, dated, covering both genuinely positive and genuinely negative developments — not only the good news.

EXAMPLE STRUCTURE

Company A (Aug): closed a USD 6M Series A led by [Fund], 3.2× markup on our entry price. **Company F** (Sep): CEO transition — founding CEO moved to a board-only role, COO promoted to CEO effective Q4; we support the change and were consulted throughout. **Company C** (Jul): missed its H1 revenue plan by roughly 35%; the team has cut burn by 20% and extended runway to Q2 next year while resetting the go-to-market plan.

Avoid

Describing a leadership departure, a missed plan, or a down round using only positive-sounding language (“strategic transition,” “refocusing the plan”) with no concrete detail about what actually happened — LPs read this exact euphemism pattern often enough to recognize it immediately, and it reads as worse than a plain statement of the fact would have.

5. Follow-On Activity

Which portfolio companies received follow-on capital this quarter, the amount, and the reasoning — distinguishing a follow-on made from conviction in strong performance from one made defensively to protect an existing position.

EXAMPLE STRUCTURE

Company A: USD 500,000 pro rata into its Series A, from conviction — metrics have outperformed our underwriting case by roughly 30%. Company C: USD 150,000 bridge participation, defensive — extending runway while the team resets its plan; we would not have initiated a new position at this valuation today.

Avoid

Reporting a follow-on amount with no reasoning at all — an LP cannot distinguish disciplined capital allocation from reflexive support of a struggling company without the GP stating which one it was.

6. Outlook

What to expect next quarter at both the portfolio level (which companies are likely raising, any near-term realizations) and the fund level (next close if the fund is still raising, any changes to the GP team or investment focus).

EXAMPLE STRUCTURE

Three portfolio companies expected to raise a priced round in Q4. No realizations currently expected before mid-next-year. Fund II's second close is targeted for Q1, at roughly 70% of the hard cap currently soft-circled.

Avoid

Vague forward language (“the portfolio continues to show strong momentum heading into next quarter”) that commits to nothing checkable — state what is actually expected to happen, specifically enough that an LP can hold the next update against it.

Lengdon — lengdon.com — September 2026 template edition.